

CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

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COUNTRY East Germany

DATE DISTR. 9 September 1955

SUBJECT Production Situation at the Main Administration
of Radio and Telecommunications Techniques (HV RFT)

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SUPPLEMENT TO
REPORT NO.

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1. In the fall of 1954, all enterprises of the HV RFT (Main Administration of Radio and Telecommunication Techniques) were encountered with the problem of not being fully employed in 1955. The individual plants, therefore, started a competition for work orders. Although the nationalized industry received an increasing number of work orders from foreign countries, these export orders could not fill up the loss of orders for the German market. Examples for the critical situation in October 1954 are given with the following figures: The 1955 production capacity of Stern Radio Berlin was filled with 10 percent, of Fernmeldewerk Arnstadt with less than 10 percent and of Fernmeldewerk Leipzig with 40 percent. For the second quarter of 1955, Fernwerk Sigtga needed additional orders for an amount of 1.3 million Eastmarks to fill its production capacity.

2. In October 1954, the Ministry of Heavy Industry of the German Democratic Republic (DDR) decided to take measures to ensure a high level of employment in the RFT plants. The Ministry decided to keep them permanently employed in a favorable work situation. The HV RFT plants were, however, not permitted to dismiss personnel, since it was allegedly planned to transfer surplus personnel to other industry branches. The shortage of labor in the RFT plants was due to a shortage of labor in the DDR. From the cotton area, a great number of laborers had already been drafted for mining work.

3. In October 1954, the Ministry gave final approval for the plans of all RFT enterprises for the first quarter of 1955 and conditional approval for the other quarters. All preparations made by the plants for the 1955 production such as procurement of material etc, had become void, because the expected work orders were not received.

4. In October 1954, the commercial manager of an HV Electric Instrument Construction enterprise stated that they had the same problems as the HV RFT, and that they too were fighting for more work orders for 1955. The other HV were allegedly in a similar situation.

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5. The Labor Control Office and the Plant Party Organization at most enterprises maintained that this unfavorable development should have been foreseen in time by the leading personnel, who therefore should be charged with this failure. From various sides it was demanded that the entire personnel of HV R-F-T and the management of several enterprises should be replaced. In October, the Labor Control Office of Stern Radio Stassfurt objected to an order of the HV R-F-T by which the production of the medium-class superheterodyne receiver was to be turned over to Stern Radio Berlin for the better utilization of the production capacity of the latter plant. The Labor Control Office informed HV R-F-T by cable that they had requested the cancellation of this order and the replacement of the responsible persons from the SED Central Committee.

6. On 28 October 1954, at a conference at HV R-F-T, Wansky (fnm), chief of the planning control office, stated that the HV R-F-T suffered from a lack of 16 million Eastmarks for 1954, that the HV TGA (Installation of Cables and Apparatus) was short 17 million Eastmarks and the HV VEM (Electric Motors) 24 million Eastmarks. Fourteen additional HVs had not yet received much of their allotted funds. The Ministry of Finance was incapable of providing these urgently required amounts. At a conference with Minister Rau on 27 October which had been scheduled to take two hours but lasted from 1500 to 2300 hours, the projected funds for HV R-F-T were reduced for the third time. Among other projects, the production of 10,000 broadcast receivers by Funkwerk Dresden was cancelled.

7. At the conference on 28 October, Heinze, chief of planning, stated that during the meeting on the preceding day, Minister Rau had mentioned that the laborers should be assigned to any available work place and that, after all, the state of laborers and farmers was no sanatorium. (sic)

8. In a confidential conversation on the same day, [REDACTED] chief by provisional appointment, stated that there was nothing he could do to help, and he admitted that he actually should immediately close Stern Radio Berlin, which had 2,000 laborers. The Plant of [REDACTED] High Frequency, although desperately fighting against this order, had to release or to turn over to another plant 600 workers. The Fernmeldewerke at Bautzen, Leipzig, and Arnstadt had [REDACTED] at [REDACTED]. The Zwenitz plant had to release 60 men, although it was working on orders which should have been turned over to Zittau. There were only very few plants which had approximately enough work orders to fill the production capacity.

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9. [REDACTED]

* Werk fuer Fernmeldewesen WF, Berlin-Oberschoeneweide.

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10. At a conference of energy experts at HV R-F-T on 5 and 6 November, it was announced that the critical electric power situation had become worse than during the preceding month. An additional 200,000 kW were lost as a result of [REDACTED] contingents previously approved had to be cancelled. These new restrictions of power consumption had to be followed strictly by all consumers concerned. The energy experts would be responsible for any [REDACTED] of this new order.

11. In early November, Daug (fnu), chief of the Central Department of Advertising and Fairs in Leipzig, mentioned that the Leipzig Fair in the fall of 1954 had proved that the states of the East Block visited the fair [REDACTED]

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[REDACTED] The office of the Leipzig Fair was only interested in the organization, the profit, and the employment of many people. The consequences of this development for the East German industry could not be foreseen. Government authorities were seriously worried and functionaries in charge had allegedly indicated already that restrictions will be placed on all visitors of the Leipzig Fair [REDACTED]

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- UNCC [REDACTED] Experts from all East German industry branches criticized the standards of the DDR industry and stated that no medals were to be won on the world market. The [REDACTED] Firm planned to display at the Leipzig Fair a new type of motor selector, about 10 cm. square, for which the East German equivalent product was five to six times larger. Although the size of the East German motor selector was completely impractical, one designer was rewarded with "Hero of Labor" and two others were proclaimed "Merited-Designers".

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12. In early November, the Production Office of HV R-F-T received two new orders from the Ministry of Interior for instruments developed by Funkwerk Dresden and Funkwerk Leipzig-Plagwitz. It was still undecided which plant would be given these orders.
13. On 8 November, the enter- [REDACTED] received a circular from the Material Supply Office of HV [REDACTED] stating that those types of paper, including among others corrugated paper and packing paper, which had not been rationed, were quota goods again. The order was effective immediately.
14. The following was pointed out by HV Chief Schmidt at an HV R-F-T meeting on 19 November.
- a. No production figures and information on new developments could be given as long as the 1955 plan of political economy had not been approved by the DDR Minister Council. The approved plan would have to be ratified by the Volkskammer (people's chamber) from where, however, no objections were expected. The final figures of the 1955 plan could, therefore, be published to the HV [REDACTED] immediately after the approval of the Minister Council [REDACTED] been obtained. The HV would then have to distribute the projects to the individual enterprises. It [REDACTED] already announced, however, that, although the long-range plan had been reduced about 60 million costmarks, only 25 to 30 percent of the 1955 production plan [REDACTED] covered by orders.

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Schmidt said that this was the result of poor plan fulfillment in 1954. Fernmeldewerk Leipzig, Messgeraete Zwenitz (plant for measuring instruments), and two other plants of the HV had a backlog of production for an amount of 50 million Eastmarks.

- Glückaufwerk*
- b. Schmidt pointed out that the Glückaufwerk, previously Osram, had agreed to employ 500 to 600 experts from the Plant for Telecommunications, High Frequency, in Upper Silesia. Since the Glückaufwerk was unable to cover the demand for light bulbs, the plants Glückaufwerk, Riesa and Oberhausen had resumed operation already. The Glückaufwerk had help out with some experts to get the production started at the plants, and had, therefore, vacancies for surplus personnel of the Plant for Telecommunications.
- c. Stern Radio in Rochlitz was to turn over to Stern Radio Berlin the production of 30,000 receivers of type 7 E 86, because the latter plant had not enough work orders for 1955.
- d. Due to a lack of work orders, at the Plant for Signal ^{and Security} Techniques at Berlin Treptow (previously Graetz) many experts would be unemployed. No new work places were available. (sic)
- e. Funkwerk Dresden, one of the few R-F-T enterprises which had enough work orders, requested funds for the increased production of mine radio sets and VHF voice radio sets. The plant stated that with these funds were required to increase (in 1955) the 1954 production by about 4.5 million Eastmarks (unit of account). According to reliable figures received from the Dresden district, the local electrical industry had consented to an additional production of consumer goods for an amount of 2,523,000 Eastmarks, but had actually produced goods for only 1,259,000 Eastmarks. The nationalized enterprises (VEB)
- f. The funds requested by Stern Radio Rochlitz for the required enlargement of the test field were also disapproved, and the plant was advised to procure the money on credit.
- g. The Arnstadt, Leipzig, and Bautzen enterprises were still entirely unemployed, and there was no possibility at the present time, of giving them production orders from other plants.
- h. The 1954 profit plan of the Ministry of Machine Construction would presumably have a deficit of 500 million Eastmarks. Schmidt finally stated that the plan fulfillment was also completely insufficient in regard to the additional production of mass consumer goods for an amount of one billion Eastmarks. According to reliable figures received from the Dresden district, the local electrical industry had consented to an additional production of consumer goods for an amount of 2,523,000 Eastmarks, but had actually produced goods for only 1,259,000 Eastmarks. The nationalized enterprises (VEB)

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directly controlled by the ministries had filled the production quota for consumer goods with 39 percent, local VEBs with 41 percent, the private industry, however, with more than 100 percent.

15. In December 1954, the HV R-F-T tried to eliminate the difficulties by preparing production quotas for the enterprises without having enough work orders. Only two weeks before, this measure had been disapproved as being intolerable in respect to the planning. In order not to close the plants, this abandoned measure was reinstalled. In a private conversation, HV Chief Schmidt expressed hopes that these measures could be legalized later by the expected rearmament.

16. An entirely new economic situation was effected by the Moscow resolution.

- a. The production capacity of Funkwerk Leipzig was unexpectedly fully employed by an order just recently received from the Ministry of Interior. Type, size, and number of the products ordered were [REDACTED].
- b. Funkwerk Dresden had to include in the 1955 production plan an amount of 2 million Eastmarks for orders still to be received in detail from the Ministry of Interior. This production order had been discussed by Chief of Production Office of RFT, [REDACTED] and by Helz from the Ministry of Interior in a meeting on 6 December 1954. After this meeting, Scheffler stated that the critical situation could improve to-morrow, but that it also could last until the end of the year. On 10 December, a conference at HV R-F-T was attended by all development chiefs of the HV and by representatives of the Ministry of Finance. The Ministry requested a justification for the fact that no noticeable results have been obtained by the HV R-F-T development stations since 1951, although 50 to 54 million Eastmarks had [REDACTED] been used for these activities.

17. At a conference with Scheffler on 5 January 1955, a plant manager maintained that one should not worry about the outstanding work orders for most R-F-T enterprises, because requests from the Ministry of the Interior could be expected in the near future. Scheffler answered that the orders from the Ministry of Interior so far received did not exceed those of 1954, and that 80 percent of these orders had been dispatched to the various enterprises. It was still unknown what was being prepared at the Ministry.

18. In January 1955 the situation was as follows: Nordhausen, Leipzig, and Bautzen telecommunication plants and the Zittau and Halle radio plants were still short of work orders. The HV R-F-T increased the production quota of radio superheterodyne receivers for automobiles for Funkwerk Halle, without any production order.

The plant of Telecommunications High Frequency which had turned over 600 laborers to the Berliner Gluehlanpenwerk was informed that additional personnel would have to be taken from them. The Plant of Signal and Security Techniques in Berlin-Friedrichshagen (previously Garmisch) was occupied only to a small extent. In early January, the Zwettitz instrument had to turn over 60 assembly workers to weaving mills and [REDACTED] plants.

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radio broadcast equipment

located in the vicinity. An additional 60 assembly workers were put on the waiting list. The production of 35,000 large superheterodyne broadcast receivers by VEB Stern Radio Berlin for which the work order had been turned over from Stern Radio Rochlitz could not be started because of serious technical difficulties which could not be eliminated within a short time.

Stern Radio Stassfurt was completely employed with the production of 80,000 large radio receivers of type 8 E 151. But only 35 to 40 percent of this production quota ~~was~~ covered by work orders. Stern Radio Rochlitz was the only radio broadcast equipment factory which had enough work orders. The two new sets produced by this plant were by far the best products manufactured in East Germany.

- 191 In a meeting at HV R-F-T on 5 January 1955, the fact that import materials, such as deep drawing sheets and automatic steel (free cutting steel) suddenly delivered between 23 and 31 December after the entrance had been waiting almost for a whole year was criticized. The shipments were unloaded in three shifts of non-stop work. After 23 December, trains with material were parked for days from Goerlitz to Weinhuebel. On 26 December, Funkwerk Zittau received 18 tons of deep drawing sheets which had ~~urgently been needed in January~~. On 31 December, the Funkwerk was informed by ~~DHZ Metallurgie Goerlitz (German Central Trade Office)~~, that they could receive ~~all the DHZ DHZ large quantities of~~ automatic steel of all sizes. DHZ had suddenly received all outstanding deliveries for 1954 which they had to distribute immediately.
20. The results obtained by an inspection of Funkwerk Zittau in December 1954 were discussed at HV R-F-T in a conference on 24 January. This conference was attended by Nattmann (fnu), chief of the control department of Minister Rau, Komor and Roskopf (or Rasskopf) (fnu) from the same department, the entire manager staff of HV R-F-T, to include HV Chief Schmidt, Commercial Manager Weiss (fnu), Chief of the Sales Department Hans Heinrich (fnu), Chief of the Main Mechanical Department Neuwirth (fnu), Chief of the Labor Department Fuerl (fnu), Cadre Chief Naether (fnu), Deputy HV Chief Albrecht (fnu), Chief of the Planning Control Department Vansky, and Seidel (fnu) as deputy for the Chief of Production Scheffler (fnu) who was on leave. Funkwerk Zittau was represented by Manager Wiesner (fnu), Chief of Labor Control Findeisen (fnu), Mrs. Haberl of the Plant Labor Union, and Oppelt (fnu) of the Plant Party Organization.
21. Nattmann, chairman of the conference, pointed out to the serious deficiencies which had ~~already been found when the plant was previously~~ inspected by HV R-F-T in early 1954. ~~manager, had failed completely, because he did not follow any advice~~ but behaved like a despot. During the second inspection it was generally determined that there was no cooperation at the HV R-F-T. No department was sufficiently informed about the plans or present activities of the other departments. Everybody was either working for himself, or did not care about the development, because suggestions or objections were never observed by the HV management.
22. Nattmann mentioned that the research and technique either suffered a serious lack of personnel, or had to work with unqualified personnel. He informed the attendants of the meeting that four additional vacancies

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- In October 1954. Negemann ~~(Phd)~~. HV Chief.

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26. Various persons of HV R-F-T who either wanted to leave or had been given notice in January 1955 were not released. Braesenam (Hru), special commissioner for shipbuilding of HV R-F-T, was not released although he wanted to leave. Because there was no replacement, Guenther Hehlig of the Production Office was not to be replaced.

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[REDACTED] of Minister Rau, although [REDACTED] had lost his briefcase with [REDACTED]
[REDACTED] during [REDACTED] through West Berlin [REDACTED]
[REDACTED] [REDACTED] dictionary. It was [REDACTED] clear [REDACTED]

27. On about 15 December, for [REDACTED] published an advertisement that the Plant of Telecommunications, High Frequency, had two vacancies for engineers as chief technologists, and vacancies for a physicist and for other personnel. Investigations initiated by the Control Office of Minister Rau at the plant revealed that the advertisement had been fictitious and that the case had been turned over to the criminal police.

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5. The Labor Control Office and the Plant Party Organization at most enterprises maintained that this unfavorable development should have been foreseen in time by the leading personnel, who therefore should be charged with this failure. From various sides it was demanded that the entire personnel of HV R-F-T and the management of several enterprises should be replaced. In October, the Labor Control Office of Stern Radio Stassfurt, objected to an order of the HV R-F-T by which the production of the medium-class superheterodyne receiver was to be turned over to Stern Radio Berlin for the better utilization of the production capacity of the latter plant. The Labor Control Office informed HV R-F-T by cable that they had requested the cancellation of this order and the replacement of the responsible persons from the SED Central Committee.
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7. At the conference on 28 October, Heinze, chief of planning, stated that during the meeting on the preceding day, Minister Rau had mentioned that the laborers should be assigned to any available work place and that, after all, the state of laborers and farmers was no sanatorium. (sic)
8. In a confidential conversation on the same day, Rudolph Schmidt, HV chief by provisional appointment, stated that there was nothing he could do to help, and he admitted that he actually should immediately close Stern Radio Berlin, which had 2,000 laborers. The Plant of Telecommunications High Frequency, although desperately fighting against this order, had to release or to turn over to another plant 600 workmen. The Fernmeldewerke at Bautzen, Leipzig, and Arnstadt had practically no work at all. The Zwoenitz plant had to release 60 men, although it was working on orders which should have been turned over to Zittau. There were only very few plants which had approximately enough work orders to fill the production capacity.
9. Schmidt stated that it would be an act of irresponsibility at that time to provide more funds to increase the lathing capacity, because the plants would then request a sufficient number of work orders for 1955, which, however, could not be given. He admitted that the material situation would become even more tense in 1955. The whole situation was a catastrophe. He would tell representatives of the Central Commission the same thing. The plants were not responsible for the disaster. They would only be accused of keeping too many laborers in expectation of a good trade season. No labor control office would be affected by these difficulties to become a central strike management. (sic)

* Werk fuer Fernmeldewesen WF, Berlin-Oberschoeneweide.

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10. At a conference of energy experts at HV R-F-T on 5 and 6 November, it was announced that the critical electric power situation had become worse than during the preceding month. An additional 200,000 kW were lost as a result of defective machinery in Calbe. All extra contingents previously approved had to be cancelled. These new restrictions of power consumption had to be followed strictly by all consumers concerned. The energy experts would be responsible for any nonobservance of this new order. 25X1
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- b. Schmidt pointed out that the Berliner Glühlampenwerk, previously Osram, had agreed to employ 500 to 600 surplus laborers from the Plant for Telecommunications, High Frequency, in Berlin-Schöneberg. Since the Berliner Glühlampenwerk was unable to cover the demand for light bulbs, the plants which had been closed in 1953, such as Glühlampenwerk Eisenach and Oberweissbach, were to be reopened or had resumed operation already. The Berliner Glühlampenwerk had to help out with some experts to get the production started at these plants, and had, therefore, vacancies for surplus personnel of the Plant for Telecommunications.
- c. Stern Radio in Rochlitz was to turn over to Stern Radio Berlin the production of 30,000 receivers of type 7 E 86, because the latter plant had not enough work orders for 1955.
- d. Due to a lack of work orders, at the Plant for Signal ^{and Security} Techniques at Berlin Treptow (previously Graetz) many experts would be unemployed. No new work places were available. (sic)
- e. Funkwerk Dresden, one of the few R-F-T enterprises which had enough work orders, requested funds for the increased production of mine radio sets and VHF voice radio sets. The plant stated that these funds were required to increase the 1954 production by about 4.5 million Eastmarks (unit of account) in 1955. Schmidt refused to allocate these funds, maintaining that the capacity of one individual plant was not to be increased, as long as most of the other R-F-T enterprises were hopelessly underemployed. Such a measure would be of a "private capitalistic" character. Schmidt ordered Funkwerk Dresden to cooperate with other R-F-T enterprises and to turn over the additional production.
- f. The funds requested by Stern Radio Rochlitz for the required enlargement of the test field were also disapproved, and the plant was advised to procure the money on credit.
- g. The Arnstadt, Leipzig, and Bautzen enterprises were still entirely unemployed, and there was no possibility at the present time of giving them production orders from other plants.
- h. The 1954 profit plan of the Ministry of Machine Construction would presumably have a deficit of 500 million Eastmarks. Schmidt finally stated that the plan fulfillment was also completely insufficient in regard to the additional production of mass consumer goods for an amount of one billion Eastmarks. According to reliable figures received from the Dresden district, the local electrical industry had consented to an additional production of consumer goods for an amount of 2,523,000 Eastmarks, but had actually produced goods for only 1,259,000 Eastmarks. The nationalized enterprises (VEB)

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16. An entirely new economic situation was effected by the Moscow resolution.
 - a. The production capacity of Funkwerk Leipzig was unexpectedly fully employed by an order just recently received from the Ministry of Interior. Type, size, and number of the products ordered were ~~not known~~.
 - b. Funkwerk Dresden had to include in the 1955 production plan an amount of 2 million castmarks for orders still to be received in detail from the Ministry of Interior. This production order had been discussed by Chief of Production Office of RFT, Heinz Scheffler, and by Belz from the Ministry of Interior in a meeting on 8 December 1954.
 After this meeting, Scheffler stated that the critical situation could improve to-morrow, but that it also could last until the end of the year. On 10 December, a conference at HV R-F-T was attended by all development chiefs of the HV and by representatives of the Ministry of Finance. The Ministry requested a justification for the fact that no noticeable results have been obtained by the HV R-F-T development stations since 1951, although 50 to 54 million castmarks had annually been used for these activities.
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18. In January 1955, the situation was as follows: Nordhausen, Leipzig, and Bautzen telecommunication plants and the Zittau and Halle radio plants were still short of work orders. The HV R-F-T increased the production quota of radio superheterodyne receivers for automobiles for Funkwerk Halle, without any production order.

The plant of Telecommunications High Frequency which had turned over 600 laborers to the ~~Berliner Gluehlampenwerk~~ was informed that additional personnel would have to be taken from them. The Plant of Signal and Security Techniques in Berlin-Treptow (previously Graetz) was occupied only to a small extent. In early January, the Zwoenitz Instrument Plant had to turn over 60 assembly workers to weaving mills and hosiery plants

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19. In a meeting at HV R-F-T on 5 January 1955, the fact that import materials, such as deep drawing sheets and automatic steel (free cutting steel), were suddenly delivered between 23 and 31 December after the enterprises had been waiting almost for a whole year was criticized. The shipments were unloaded in three shifts of non-stop work. After 23 December, trains with material were parked for days from Goerlitz to Weinhuebel. On 26 December, Funkwerk Zittau received 18 tons of deep-drawing sheets which had urgently been needed in January. On 31 December, the Funkwerk was informed by DHZ Metallurgie Goerlitz (German Central Trade Office), that they could receive on the same day, large quantities of automatic steel of all sizes. DHZ had suddenly received all outstanding deliveries for 1954 which they had to distribute immediately.
20. The results obtained by an inspection of Funkwerk Zittau in December 1954 were discussed at HV R-F-T in a conference on 24 January. This conference was attended by Nattmann (fnu), chief of the control department of Minister Rau, Komor and Roskopf (or Rasskopf) (fnu) from the same department, the entire manager staff of HV R-F-T, to include HV Chief Schmidt, Commercial Manager Weiss (fnu), Chief of the Sales Department Hans Heinrich, Chief of the Main Mechanical Department Neuwirth (fnu), Chief of the Labor Department Fuerl (fnu), Cadre Chief Naether (fnu), Deputy HV Chief Albrecht (fnu), Chief of the Planning Control Department Wansky, and Seidel (fnu) as deputy for the Chief of Production Scheffler who was on leave. Funkwerk Zittau was represented by Manager Wiesner (fnu), Chief of Labor Control Findeisen (fnu), Mrs. Haberl of the Plant Labor Union, and Oppelt (fnu) of the Plant Party Organization.
21. Nattmann, chairman of the conference, pointed out the serious deficiencies which had already been found when the plant was previously inspected by HV R-F-T in early 1954. Adolph Hegemann, the previous plant manager, had failed completely, because he did not follow any advice but behaved like a despot. During the second inspection it was generally determined that there was no cooperation at the HV R-F-T. No department was sufficiently informed about the plans or present activities of the other departments. Everybody was either working for himself, or did not care about the development, because suggestions or objections were never observed by the HV management.
22. Nattmann mentioned that the research and technique either suffered a serious lack of personnel, or had to work with unqualified personnel. He informed the attendants of the meeting that four additional vacancies

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could be filled immediately for research and techniques. The leading personnel and the laborers at the plants could not be expected to have confidence in their HVs and in the ministry, if even the staffs of the HVs had no confidence in the higher authorities. These conditions might eventually effect that the confidence of the working classes to the entire government was undermined.

23. Most previous plant manager consultations were failures, because the subjects primarily discussed were already known to all offices concerned. Nattmann ordered that the production figures of the enterprises were no longer to be given at these meetings, because they had already been published and submitted to the HV in the activity reports, and also because this system involved security violations. Nattmann gave HV R-F-T the following eight points, which were to be observed carefully and would be checked at a new inspection:

- (1) Strict observance of all control decisions reached.
- (2) Establishment of a manager group (Leitungskollektiv) at HV R-F-T and the smooth cooperation of all leading functionaries.
- (3) Coordination and constant cooperation of all departments.
- (4) Detailed evaluation of all production conferences.
- (5) Improved organization of sponsor work which had actually never been observed. The sponsors at HV R-F-T had, so far, hardly cared about their sponsorships.
- (6) Immediate preparations for 1956. Nattmann severely criticized the activities of the sales department and announced that Heinrich was the new chief of this department. (Heinrich had been chief of the Export Department at the former VVB R-F-T and was transferred to the Muehlhausen Tube Plant when the department was disbanded.)
- (7) Improved organization of the supervision of new developments and the smooth transfer to production.
- (8) Training of new qualified personnel for the cadre departments. Young qualified personnel had already become a bottleneck.

24. Nattmann finally stated that the inspection of Funkwerk Zittau had proved that the disadvantageous development was not the fault of the plant but rather a failure of HV R-F-T. This conference, however, was not held to "break the necks of the guilty" but rather to help with criticism. Should the persons concerned again ignore advice, further action would have to be taken.

After the meeting, Roskopf and Komor, members of Minister Rau's Control Department, informed the manager of Funkwerk Zittau that his plant was to have an important part in the expected rearmament program. The plant had the most advantageous location of all RFT enterprises. Special orders from the Ministry of Interior were not yet received.

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25. The following information was obtained on personnel changes at HV R-F-T:

In October 1954, Hegemann, HV Chief, [redacted]

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[redacted] Schmidt, an SED member and previous plant manager of Funkwerk Erfurt, has been his deputy since 15 October. Prokes (fnu), an SED member who had worked in the Production Office of the HV, became assistant manager. Before Schmidt became chief by provisional appointment, Voigt (fnu), present manager of Sachsenwerk Radeberg was suggested for this position. In November 1954 it was rumored that Scheffler, Seidel, and Heinze would be replaced at the HV.

26. Various persons of HV R-F-T who either wanted to leave or had been given notice in January 1955 were not released. Braesemann (fnu), special commissioner for shipbuilding of HV R-F-T, was not released although he wanted to leave. Because there was no replacement available, Guenther Mehlig of the Production Office was not to be dismissed by order of Minister Rau, although he had lost his briefcase with all records during an unauthorized trip through West Berlin and was consequently no longer acceptable as state functionary. It was not clear whether the briefcase was lost or whether it was stolen.
27. On about 15 December, four East Berlin newspapers published an advertisement that the Plant of Telecommunications, High Frequency, had two vacancies for engineers as chief technologists, and vacancies for a physicist and for other personnel. Investigations initiated by the Control Office of Minister Rau at the plant revealed that the advertisement had been fictitious and that the case had been turned over to the criminal police.

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